

Result 2: Improve the Quality and Productivity of the Workforce Tollgate #1

1. Key indicators that will provide the best evidence to the citizen that this result is being achieved.

Indicators	Same, Modified, New?
Indicator 1: Increased Possession of Skills and Abilities Required by Employers Measures: <ul style="list-style-type: none"> ✓ Percent of Employer Demand Met for Trained Workers (for Jobs Not Requiring a Baccalaureate Degree) ✓ Percent of Businesses Reporting Difficulty Hiring Skilled Workers 	Same
Indicator 2: Increased Employment Rate Measures: <ul style="list-style-type: none"> ✓ Percent of Prime Working Age Population employed (Ages 25-54) ✓ Percent of State Labor Force Employed 	Same
Indicator 3: Increased Earnings Level Measures: <ul style="list-style-type: none"> ✓ Washington Average Annual Wage, All Wage Earners ✓ Washington Average Hourly wage, Workers at the 20th Percentile ✓ Washington Median Hourly Wage 	The indicator is the same, however the last two measures for this indicator are new.

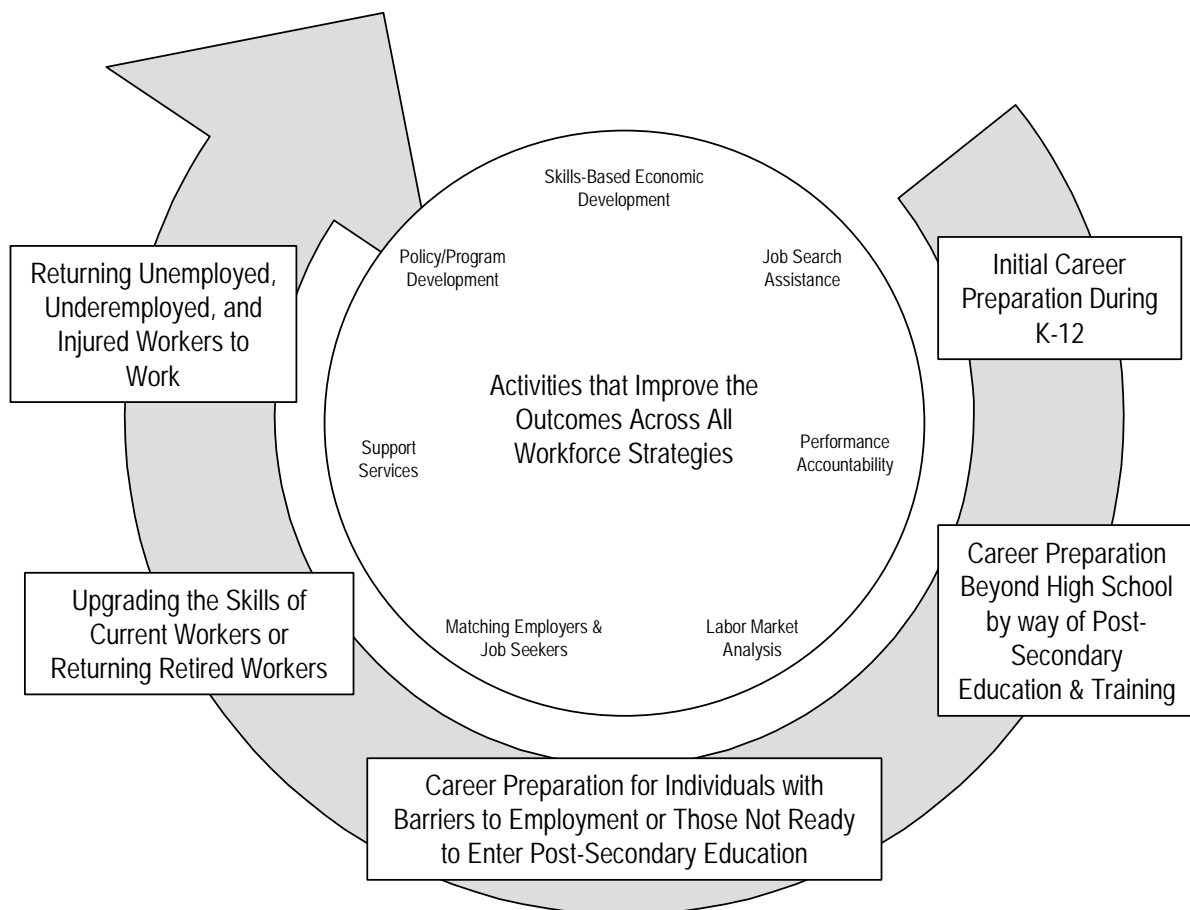
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2. The Cause and Effect Map for the Result Area

Indicators and Goals for Washington's Workforce

INDICATORS	<i>Increase in the ratio of newly prepared skilled workers to the number that employers will need</i>	<i>Increase in the employment rate among individuals recently served</i>	<i>Increase in the earnings level among individuals recently served</i>
	Possess the skills and abilities required by employers	Fully employed	Earn a high standard of living

Strategies for Preparing the Workforce: A Lifecycle Blueprint



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3. An initial assessment of the success or failure of current strategies

A. Does the current budget include funding for all of the significant strategies identified by the teams last time? Which strategies were not funded in the budget?

While the 2003-05 biennial budget includes funding for all six of the strategies that were identified by the results team last time, only a few of the programmatic enhancements that were suggested by the team were funded. New state and federal investments were made in occupational skills and apprenticeship training and postsecondary education and training received a boost in the 2004 supplemental budget with funding for additional high demand and general enrollment slots at our state colleges and universities.

Like most other state programs over the last few years, recent budgetary pressures have resulted in reduced funding levels and continued efficiency and programmatic cuts for some workforce related activities. Continued budgetary and demographic pressures on our community and technical college system have resulted in decreased access to some basic skills classes. Recent legislative changes to the state's Unemployment Insurance system have reduced the amount of income support for individuals receiving unemployment benefits. Additionally, the state has seen a decreased federal investment in the Workforce Investment Act.

B. Looking at the performance and indicator information available to you at this time, how would you describe progress in achieving this result?

The indicators for the workforce result area are greatly impacted by cyclical national and state economic forces (like the recession), which tend, at least in the short term, to overwhelm the incremental impacts of specific state investments. One example of this is the recent sharp decrease in the percentage of businesses reporting difficulty hiring skilled workers. While recent investments in occupational and skills training are likely having a positive impact on this indicator, much of the dramatic decrease is probably the result of increased availability of unemployed skilled workers seeking employment (due to economic downturn).

Performance evaluations show that these state programs and investments are making a positive difference for the individuals and businesses that receive these benefits and services.

C. What are the most significant areas of success in this result area today?

Washington's workforce development system has had several key successes, including:

- ✓ Better responsiveness to needs of employers through increased funding for customized occupational training and the creation of industry-driven skills panels that focus on existing and future workforce development needs in key industries.
- ✓ Successful preparation of more workers – which is helping to close the skills gap
- ✓ Enrollment increases at our state colleges and universities are being targeted to high demand occupations such as health care

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D. Where do you see the most significant performance gaps? Do these gaps represent the failure of a strategy, the failure to fund a given strategy, or something else?

The workforce results team identified the following performance gaps:

- ✓ Career counseling at the secondary and post secondary level
- ✓ General workplace skills
- ✓ Integration of adult literacy and occupational skills training
- ✓ Financial aid for part-time workers
- ✓ Occupational skills training for those with barriers to employment and vulnerable adults

There are a number of reasons why these gaps exist including:

- ✓ Lack of a statewide strategy to address them
- ✓ Lack of funding, such as in the case of blending adult literacy and occupational skills training
- ✓ General state and national economic conditions that contribute to a slow job recovery, stagnation in worker wages, and failure to translate productivity gains into higher wages and standard of living.

E. Where are the most significant opportunities to improve results?

Our most significant performance gaps are also our greatest opportunities to improve our result.

- ✓ Create more linkages to employers - though we are doing a good job of being more responsive to employers' needs, we should do more to create linkages to employers.
- ✓ Increase customized training - even with the recent funding increases, Washington State is still one of the lowest ranking states in terms of funding for customized training.
- ✓ Greater emphasis on general workplace skills—employers have observed that workers often lack general workplace skills when they enter the workforce. We need to ensure that these skills are emphasized throughout secondary and postsecondary education and training.
- ✓ More career counseling
- ✓ Provide financial aid for part time workers
- ✓ Provide occupational training for those with barriers to employment and vulnerable adults
- ✓ Better integrate adult literacy and occupational skills training, which has proven to be an extremely effective training model.
- ✓ Greater focus on skills based economic development to encourage the creation of additional high-wage jobs and to promote knowledge based industries